

From: Adam Brosius <adam@pharmasales.com>
Sent: Thur 7/9/2020 7:11:14 PM (UTC)
To: Pat Boyd <PatB@safechain.com>
Cc: Holly Dodson <hollyd@safechain.com>, Katelyn Miller <katelynm@safechain.com>, Michael Landy <michaell@safechain.com>, Antione Brooks <AntioneB@safechain.com>, Jonathan Nicholls <JonathanN@safechain.com>, Jon Weed <JonW@safechain.com>, Casey Grieves <caseyg@safechain.com>, "Valuepartnersllc@outlook.com" <Valuepartnersllc@outlook.com>, Travis Richardson <travisr@safechain.com>, "Kneilm@pharmasales.com" <Kneilm@pharmasales.com>, "Sf@pharmasales.com" <Sf@pharmasales.com>, Jenna Mellott <jenna@pharmasales.com>, Garrett Mellott <garrett@pharmasales.com>, Emin <emin@pharmasales.com>, Taylor Pryor <TaylorP@safechain.com>, Jesse Hammett <JesseH@safechain.com>, Tyler Tedrow <TylerT@safechain.com>, "davidb@pharmasales.com" <davidb@pharmasales.com>, "harris@pharmasales.com" <harris@pharmasales.com>, "jstout@pharmasales.com" <jstout@pharmasales.com>, "narbe@pharmasales.com" <narbe@pharmasales.com>, "365pharmasolutions@gmail.com" <365pharmasolutions@gmail.com>, "alex.rudnet@gmail.com" <alex.rudnet@gmail.com>, wwopenorders <wwopenorders@pharmasales.com>
Subject: Re: FW: HIV info meeting

TELL YOUR FRIENDS!!!!

MORE GOOD NEWS -- just in from a rep. this is how easy it is.

Just closed a pharmacy chain in LA...

5.5 off wac for terms

6 off wac for 5 to 10 days

6.5 off wac for upfront

They will be paying upfront!!

ADAM BROSIUS | President

Worldwide Pharma Sales Group Inc.

455 NE Fifth Avenue Suite D434

Delray Beach, Florida 33483

215.595.3932

**GOVERNMENT
EXHIBIT**

123

1:24-cr-20255-WPD

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adam@pharmasales.com

On Thu, Jul 9, 2020 at 1:22 PM Adam Brosius <adam@pharmasales.com> wrote:

Success Story #1 already!

A Worldwide sales rep had sold a limited amount of HIV at WAC -8 in the last week or two -- **after todays' call he called 4 new clients and offered WAC - 6% and all 4 signed up.**

A different rep gave me the price list of another wholesaler -- HIV Competitor QK at 4% off of WAC.

We are in a good spot today -- Take advantage of the situation.

A reminder to all -- PLEASE SPECIFY WHICH NDC (or GNDC) YOU ARE SELLING -- based on the 2 different sources.

ADAM BROSIUS | President

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On Wed, Jul 8, 2020 at 4:50 PM Pat Boyd <PatB@safechain.com> wrote:

Hey all,

Please see Adam's info for the HIV call tomorrow. Study up cause if you have questions, tomorrow is the time to ask!!!!!! Meeting info at the bottom.

Thanks

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Safe Chain HIV Facts, Products and Procedures

We are quickly becoming a major supplier of HIV and specialty products to retail and specialty pharmacy clients.

DISCLOSURE -- I AM LEARNING ALONG THE WAY -- as we all are. Some of the discussions we have now and rules that we are putting in place will change. Be flexible and patient. Use this info to your advantage.

A little about the HIV market:

The HIV market is mainly controlled by the Big 3 -- McKesson, Cardinal Health and Amerisource Bergen.

In the secondary market (our market), Gulf Coast used to control the vast majority of the HIV trade. They lost many of their suppliers recently. Their loss happens to be our gain.

Major cities are flooded with HIV patients. (in the Bronx NY, it is estimated that 1 in 5 people have HIV) Washington DC, NYC and Atlanta are three of the largest HIV markets in the country.

Most HIV scripts are filled at a net dollar loss to the pharmacy. Pharmacies lose approximately \$75-\$150 per HIV script.

The reason that a pharmacy continues to fill these scripts is because a typical HIV patient also fills at about 10-12 ancillary scripts per month -- so the patient definitely carries a value to the pharmacy.

Changing a script from \$100 loss to \$100 Gain is a major win for a pharmacy. If they service 50 HIV patients a month -- that is a net \$10000 gain (-\$5000 vs +\$5000) and that \$\$ can change everything for an owner.

HIV meds are sold by the Big 3 using a pricing method of discount off of WAC (Wholesale Acquisition Cost). Usually the discount they offer is - 2.5% to -4% off of WAC.

We have developed 2 new sources for HIV meds that give us a distinct advantage over the Big 3 in the marketplace. We can offer WAC - 7% to WAC -8.5%

We have 2 sources for HIV products -- both offer advantages and disadvantages.

Source 1 -- Boulevard -- usually but not always has a pharmacy on the pedigree. We get much better pricing from this source -- usually 18-25% off WAC. Product has usually been handled by a few locations. Unlimited inventory delivered overnight.

Source 2 -- Gentek -- this is through an AD (Authorized Distributor) and has a very clean pedigree. We receive 15% off of WAC. These are in the system as "GNDC's" Meaning a G is in front of the normal NDC.

At this point these products only come to Safe Chain. We are working with the AD to get them to Safeway but that is at least a month out. We get limited inventories on scheduled deliveries from Gentek.

We have recently signed two separate GPO's (General Purchasing Organizations) that control the HIV purchasing for about 900 pharmacies in total, LEGACY GPO and UPNRX (Also known as PPN). Both GPO's are mainly in the northeast (NY, NJ, CT, PA). Legacy is expanding to California and North Carolina. UPNRx is expanding in Texas.

The GPO's will not touch the product from source 1 NDCs because it may have a pharmacy in the pedigree.

The GPO's Member's buy the HIV products at WAC minus 7 to WAC minus 8.5 One of the GPO's offers a 1% rebate at the end of each quarter to the pharmacy members. THE MEMBERS ARE VERY HAPPY AT WAC -7to WAC -8.5

I will say that again -- **THE MEMBERS ARE VERY HAPPY AT WAC -7 to WAC -8.5.**

Example

Biktarvy has a WAC of \$3238.31 and may adjudicate at \$3075. A Pharmacy client of mine is buying from McKesson at \$3157 -- **losing** \$82 per script. We were able to supply Biktarvy to them at \$2995.44 (WAC-7.5). Now they make \$162 on the same script -- a \$244 difference! (HOLD YOUR MARGIN -- DONT GIVE IT AWAY!!)

Pricing and Terms Guidelines for HIV.

Do not put any quotes out there in writing for more than WAC-8%. This is a hard rule -- don't do it. Don't round down or think it is only a few dollars -- WAC -8.5 is the lower limit for sales without approval from me or Garrett. The GPO's will quickly pull their business from us if they see pricing out in the market lower than they are offering to their members. There is no real reason to give away the store on HIV meds. Almost without exception -- Wac-7.5 will earn you the business. Don't start pricing them right off at WAC-8.5% because you will have nowhere to go with them and you all know that they like to negotiate. Terms -- The GPO's are getting 5-10 day terms. The tradeoff for better pricing is letting us ask for quicker payment.

If a pharmacy is only ordering HIV -- we are looking at setting them up with Safe Chain initiated ACH on day 5 as a convenience.

Many pharmacies will prepay or pay on delivery for another .5% discount. Use it to your advantage. If they pay earlier -- you get paid earlier.

If you talk to a new pharmacy that is a LEGACY Or UPNRx member -- please refer them to me. We will be adding them to the CRM under the GPO. If they are already your client - you will keep them.

Here is a unique purchasing fact -- the pharmacy owners order HIV products every day from the Big 3. They will be happy to split an order off to us and fill what they can at a lower price. If we don't have something in stock, they will simply order it from their Primary at their normal cost - rarely do they put it on B/O with us. It is not a big deal. Pharmacy owners will continue to order from the Big 3 to assure their rebate status and not cause waves with their primary.

Garrett and myself will be happy to help you with any pricing questions or issues. Please do not put in orders at WAC-10-WAC -12 and expect them to be filled. We will kick them back and you will have to go back to the owner and tell them that you made a mistake.

Again -- we are all learning. We are doing everything we can to bring you better products and pricing for your pharmacies. Take advantage of the HIV market -- do it in a smart way to maximize your commission.

Attached you will find a pricing grid with WAC pricing and several discount levels. Looking forward to talking to you all tomorrow.

Please have your questions ready so we can all hit the ground running.

Travis Richardson | Purchasing Manager



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-----Original Appointment-----

From: Pat Boyd <PatB@Safechain.com>

Sent: Tuesday, July 7, 2020 8:28 AM

To: Pat Boyd; Jon Weed; Jonathan Nicholls; Michael Landy; Katelyn Miller; Antione Brooks; Holly Dodson; Taylor Pryor; Travis Richardson; Amanda Harris; Valuepartnersllc@outlook.com; Emin; narbe@pharmasales.com; Paul Rossell; Peter Rodriguez; Ritu Duffy; Tyler Tedrow; Marc Smith; Jordan Plummer; Charles Boyd; Adam Brosius (Contact); Garrett Mellott; Jenna Mellott; Bill King; Courtney Scumacher

Cc: davidb@pharmasales.com

Subject: HIV info meeting

When: Thursday, July 9, 2020 10:00 AM-11:00 AM (UTC-05:00) Eastern Time (US & Canada).

Where: <https://safechain.zoom.us/j/4104767304>

Please Forward to others that are on our weekly call - thanks

Join Zoom Meeting

<https://safechain.zoom.us/j/4104767304>

Meeting ID: 410 476 7304

One tap mobile

+13017158592,,4104767304# US (Germantown)

+13126266799,,4104767304# US (Chicago)

Dial by your location

+1 301 715 8592 US (Germantown)

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+1 646 876 9923 US (New York)

+1 253 215 8782 US (Tacoma)

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Meeting ID: 410 476 7304

Find your local number: <https://safechain.zoom.us/j/80254830254>

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